

## STATEMENT OF PURPOSE

### RS19411

Mortgage guaranty insurance protects lenders and investors against losses arising out of borrower defaults. Current Idaho law prohibits a mortgage insurance company from writing new business if the company's risk to capital ratio exceeds 25 to 1. The current economic situation both demonstrates the value of mortgage insurance and places stress on the ability of mortgage insurance companies to continue to write new business. This legislation would provide the director of the Department of Insurance flexibility on a case-by-case basis to allow a company to exceed the surplus limitation under certain conditions.

### FISCAL NOTE

There is **no fiscal impact** to the General Fund or any level of local government.

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